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**FISCAL IMPACT STATEMENT**

**LS 7544**

**BILL NUMBER:** SB 543

**NOTE PREPARED:** Jan 11, 2005

**BILL AMENDED:**

**SUBJECT:** Education Laws.

**FIRST AUTHOR:** Sen. Hume

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
X FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill has the following provisions:

- (A) The bill allows school corporations to pay school operating expenses before board approval.
- (B) Eliminates the requirement for children with disabilities to be tested under the ISTEP program.
- (C) Allows any student, with parental permission, to take prescription medications home that were held at school for administration during school hours.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** (B) *Summary:* Under the bill, special education students would no longer be required to take the ISTEP examination. There would be a savings to the state in both remediation and test preparation costs if fewer students took the ISTEP as a result of the bill. Given that a special education student could still opt to take the ISTEP the possible amount of savings, under this provision, is indeterminable and would depend on the number of students opting not to take the ISTEP.

*Background:* Approximately 80,600 special education students grades (3-9) took the 2004 fall ISTEP. The approximate per student cost for test preparation and remediation was approximately \$50 for 2004. Therefore, the estimated cost for the special education students that took ISTEP in fall of 2004 would have been approximately \$4 M.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** (A) Under the bill, local schools would have more flexibility in use of funds to pay operating expenses.

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Education.

**Local Agencies Affected:** School corporations.

**Information Sources:** Department of Education, ISTEP Disaggregation Summary Report Fall 2004.

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